

Canadian Bronze Company, Limited

Montreal, Canada



Annual Report
1937

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CANADIAN BRONZE COMPANY, LIMITED

and

Wholly Owned Subsidiary Companies

MONTREAL BRONZE, LIMITED

NORTHWESTERN BRASS, LIMITED

ST. THOMAS BRONZE COMPANY, LIMITED

DIAMOND BRONZE COMPANY INC.

WINNIPEG BRASS LIMITED

NATIONAL BRONZE COMPANY, LIMITED

CANADIAN BRONZE COMPANY,
LIMITED

DIRECTORS

SIR CHARLES B. GORDON, G.B.E.	SIR HERBERT S. HOLT
ALBERT E. DYMENT	ERNEST R. DECARY
ROSS H. McMASTER	JOSEPH A. KILPATRICK
RICHARD O. JOHNSON	H. CARSON FLOOD
WILLIAM L. BAYER	

EXECUTIVE OFFICERS

W. L. BAYER, *President and Managing Director.*

R. J. KING, *Treasurer.*

W. C. PAQUETTE, *Secretary.*

F. C. COLE, *Assistant Secretary.*

Solicitors

WAINRIGHT, ELDER & McDOUGALL

Executive Offices

999 DELORIMIER AVENUE - MONTREAL



CANADIAN BRONZE COMPANY, LIMITED

TO THE SHAREHOLDERS:

Your Directors take pleasure in submitting the Income Account and Balance Sheet showing the result of the past year's business and the financial position of your Company.

As orders from the Canadian railways constitute the principal source of business for your Company, direct benefits accrued from the increased movement of traffic reflected in the gain of about 6% in car loadings in Canada in 1937 as compared with 1936. Orders for new equipment from both the major railway systems, as well as other users of railway cars in Canada, also added to the volume of business available. In addition there was a substantial increase in your general industrial business.

Operating problems were to some extent complicated by the uneven movement in prices of raw materials during the year and increased wages were also a factor in adding to the cost of production. The fair increase in volume of business, however, obviated the necessity of any basic change in our price structure.

Your Service Department, established with a view to studying the needs of your customers, has continued alert to possibilities of improvement in your products and has, we believe, rendered valuable assistance in that connection.

During the year, it is of interest to note, we were able to open new export markets in Trinidad, Jamaica and British Guiana.

The business of your Company, from its inception in 1896, was for many years largely owned by capital from the United States, while today 97% of the holders of the outstanding preferred and common shares are domiciled in Canada.

Monthly meetings of your Board of Directors were held throughout the year. The books of the Company have been audited regularly and the certificate of the Auditors appears herewith.

Your Directors desire again to express their appreciation of the efficient work and loyal co-operation of the employees.

By Order of the Board,

W. L. BAYER, *President.*

CANADIAN BRONZE

AND WHOLLY OWNED

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS:

Cash	230,981.98		
Accounts Receivable, less Reserve for Doubtful Accounts	213,981.38		
Inventories:			
Quantities determined by actual count or weight, priced at the lower of Cost or Market and Certified to by Officers of the Companies.			
Raw Material, Goods in Process and Finished Stock	388,110.99		
Less—Raw Material held for Customers' Account	68,158.23	319,952.76	764,916.12

INVESTMENTS:

Marketable Securities—

Bonds and Preferred and Com- mon Stocks of Canadian and Foreign Companies	216,906.15		
Less—Reserve	145,158.95	71,747.20	

(Quoted Market Value—\$107,586.25)

Non-Marketable Securities—

Guaranteed First Mortgage Certificates	57,500.00		
Less—Reserve	22,500.00	35,000.00	

Interest accrued to date	106,747.20		
	479.16	107,226.36	

DEFERRED CHARGES TO OPERATIONS			263.00
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FIXED ASSETS:

Real Estate, Buildings, Machinery and Tools, Plant, Patterns, Office Furniture and Fixtures Valued on the basis of appraisals made on 30th April 1934 and 13th October 1934 by the Canadian Appraisal Company, Limited, with additions since the dates of these appraisals at cost	1,410,598.54		
Less—Reserves for Depreciation	580,833.71	829,764.83	

CONTRACTS, RIGHTS, PATENTS AND GOODWILL			1.00
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\$1,702,171.31

COMPANY, LIMITED

SUBSIDIARY COMPANIES

as at 31st December 1937

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable.....	92,651.62	
Dividends Payable 1st February 1938—		
On Preference Shares.....	9,375.00	
On Common Shares.....	70,000.00	79,375.00
Dominion and Provincial Income Taxes.....	63,398.91	
Sales Tax Payable.....	11,901.29	247,326.82

INSURANCE RESERVE.....		15,214.38
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INVENTORY RESERVE.....		52,287.33
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5% CUMULATIVE REDEEMABLE PREFERENCE STOCK:

Authorized—		
15,000 Shares of \$100.00 Par Value	<u>\$1,500,000.00</u>	
Issued and Fully Paid—		
7,500 Shares.....		750,000.00

COMMON STOCK AND EARNED SURPLUS:

Common Stock—without Nominal or Par Value		
Authorized—100,000 Shares.		
Issued and Full Paid—80,000 Shares.....	197,395.24	
Earned Surplus—as per attached Statement....	439,947.54	637,342.78
		<u>\$1,702,171.31</u>

Approved on behalf of the Board,

C. B. GORDON	} Directors.
W. L. BAYER	

AUDITORS' REPORT

TO THE SHAREHOLDERS,

CANADIAN BRONZE COMPANY, LIMITED, MONTREAL.

We have audited the books and accounts of Canadian Bronze Company, Limited, and its Wholly Owned Subsidiary Companies for the year ended 31st December 1937, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Companies.

(Signed) McDONALD, CURRIE & CO.,
Chartered Accountants.

MONTREAL, 25th January 1938

CANADIAN BRONZE COMPANY, LIMITED

and

Wholly Owned Subsidiary Companies

Consolidated Statement of Profit and Loss for the year ended 31st December 1937

OPERATING PROFITS—

Transferred from Subsidiary Companies	383,793.95		
Less—Provision for Depreciation of Fixed Assets	29,860.00		
Provision for Dominion and Provincial Income Taxes	60,000.00		
Legal Fees	816.48		
Directors' Fees	1,814.50		
Salaries and Fees of Executive Officers	32,625.50	125,116.48	258,677.47

NET REVENUE—

From Investments, Interest and Rentals	11,858.92
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NET PROFITS—FOR THE YEAR 270,536.39

Deduct—Dividends Paid and Payable—

Preference	37,500.00	
Common	160,000.00	197,500.00

BALANCE OF PROFITS—FOR THE YEAR

Transferred to Consolidated Statement of Earned Surplus	\$ 73,036.39
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Consolidated Statement of Earned Surplus for the year ended 31st December 1937

BALANCE AT CREDIT AS AT 31st DECEMBER 1936	366,911.15
Add—Balance of Profits for the year	73,036.39
BALANCE AT CREDIT AS AT 31st DECEMBER 1937	
As per Consolidated Balance Sheet	\$439,947.54

CANADIAN BRONZE COMPANY,
LIMITED

Works located at

MONTREAL, QUEBEC
ST. THOMAS, ONTARIO
WINNIPEG, MANITOBA
CALGARY, ALBERTA
LYNDONVILLE, VERMONT

Transfer Agents:

THE ROYAL TRUST COMPANY
MONTREAL and TORONTO

Registrars:

THE TORONTO GENERAL TRUST CORPORATION
MONTREAL and TORONTO



